THE COMMON MARKET

WHY BRITAIN SHOULD NOT JOIN

by John Gollan

communist party pamphlet

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JOHN GOLLAN

A big political struggle around the proposed British entry to the Common Market has now been launched.

We are witnessing an unholy political alliance of the leaders of the three main parties, Labour, Tory and Liberal, in a concerted campaign for entry, despite the fact that the majority of the British people are against.

Ostensibly this campaign is presented as a great progressive crusade —into Europe: new frontiers and outlooks suitable to the technological age, a kind of world citizenship overcoming petty national bounds. It is to be the secret cure to Britain's economic ills.

Never was a more reactionary proposition dressed up in such fraudulent clothing.

In reality what is being undertaken is a gigantic operation in the exclusive profit interests of the great imperialist monopoly concerns, now increasingly operating across national frontiers and with world wide interests.

It is not a proposal for a united Europe but for a permanently divided Europe. It is a proposal to join the most reactionary and imperialist part of Europe dominated by the West European monopolists and super trusts, above all those of West Germany with its aggressive revenge seeking aims.

The Common Market is a closed economic, capitalist, political and military grouping, the answer of West European imperialism to the new conditions arising out of the difficulties created by the advances of the forces of national liberation and socialism after the Second World War. It is anti-planning, anti-socialist, anti-working class. Its economic motivation is so-called "free" competition for the ruthless economic domination of the trusts. The Common Market of the Six, protected by a common external tariff, is the home base from which the monopolists reach out for world trade, with export of capital and neo-colonialism tying the third world countries in associated and subordinate status as cheap raw material suppliers and markets.

Its bureaucratic supranational structure of Commission, Council and Court is designed to subordinate the national states to the supranational interests of the trusts.

It has a vested interest in maintaining the cold war and anti-Sovietism. Its political military expression is NATO in which West Germany is now the dominant European military force.

It is clear, as we will show, why the big British monopolists and the Confederation of British Industry want to enter such a reactionary, dangerous and retrogressive set-up. But this set-up is against the political, economic, social and national interests of the British people. Not only would it mean tremendous costs: £1,000 m. a year to the bad for the balance of payments, an increase in the cost of food of 30/- a week for every family, every economic problem made more acute and trade links with the Commonwealth and EFTA undermined. It would also end British control over vital spheres of policy, especially economic, and end British sovereignty. Ultimately the aim is for the creation of a single federal state, controlling foreign and military policy as well, in which the British Government would play a subsidiary role.

The advance to socialism, already rendered difficult by the dominating position of the British monopolies and right wing labour policy, would be very much more difficult in the Common Market of the trusts.

Main characteristics of the Common Market

What is the Common Market, or the European Economic Community, to give it its exact title?

It was set up by the Treaty of Rome, signed on March 25, 1957 by West Germany, France, Italy, Belgium, Holland and Luxemburg (the Common Market Six). It began to function on January 1, 1958.

The Treaty provided for three basic things: a customs union, an economic union, and certain common institutions.

The customs union, eliminating all the tariffs between member States and introducing a common external tariff applying to imports into the community from outside countries, has been completed.

From the beginning the Market was intended to be more than a free trade area. The Treaty, therefore, prescribes a series of measures of economic harmonisation, covering such matters as the free movement of capital and labour, a common transport policy, a common fuel policy, harmonisation of tax systems, a common commercial policy towards outside countries, and a common agricultural policy.

If all these measures were carried out the economies of the Six would to a large extent become merged into a single *economic union*.

How matters have evolved we shall describe below.

Obviously the Market carried big implications of political union or evolution into a single West European capitalist super state. Indeed, its founders clearly put this as an objective.

West German Professor Walter Hallstein, first President of the Market and previously West German Foreign Secretary, described the EEC as a three stage rocket—customs union, economic union, political union. Speaking at Harvard on May 22, 1960, he said: "We are not in business to promote tariff preference or to establish a discriminatory club to form a larger market to make us richer. We are not in business at all: we are in politics." (*Financial Times*, 23.5.1960).

When Hallstein was West German Foreign Secretary his chief claim to fame was to pronounce the notorious Hallstein doctrine of the West German revenge seekers, that West Germany spoke for all Germany, and that no country should recognise the German Democratic Republic.

Ex-Nazi Dr. Kiesinger, West German Chancellor, said just before Harold Wilson's visit to Bonn in 1967, that "he would tell Mr. Wilson that the Common Market was not a commercial structure only, but that it was a political community requiring a modicum of common foreign policy." (*Financial Times*, 13.2.1967).

All this, of course, is easier said than done as the Market embodies all the inter-imperialist rivalries, and in particular the threat of West German domination.

The policies are anti-socialist, anti-working class and pro-monopoly. Indeed, as we shall show, the Common Market is tailor made for the trusts.

It is more than a customs union. As Hallstein said in a speech in Brussels in July 1969, it is "an indissoluble union of European states and peoples . . . an economic area of continental scale. To this end the economic policies of the member states are merged into a Community policy."

The main aim

The main aims of this general economic policy are quite specific—unimpeded economic competition by the monopolies. All economic measures decided by the EEC are subjected to this policy, with the systematic encouragement of mergers to create super trusts. National economic planning is out.

Harold Wilson is now converted to entry. But it is worth recalling his speech (when he was opposed to entry) in Parliament on June 7th, 1962, when he said: "The plain fact is that the whole conception of the Treaty of Rome is anti-planning, at any rate anti-national planning . . . the title and chapter headings of Part 1 of the Treaty (of Rome—J.G.) and the whole philosophy of the relevant articles show a dedication to one principle, and that is the principle of competition . . . what planning is contemplated—a tremendous amount of planning is involved in the Common Market—is supranational,

not national, but it is planning for the one purpose of enhancing free competition."

Every major decision of the Common Market authorities has been on these lines.

A committee on medium term economic policy was set up in April 1964. The Commission sent its plans and proposals to the Council in April 1966. The Council then sent them back and the Commission adopted a watered down version. This was only a vague declaration of intent. There were no targets. It laid down that there was to be no state interference with the private sector, in other words with the monopolists. The only state intervention allowed was to ensure "free competition" and to remove obstacles to mergers.

The Community's Directorate General of Competition, Dr. Pieter ver Loren van Thermaat, wrote in an article in the *Statist*, June 16th, 1962, that "the keynote of the Treaty (of Rome—J.G.) is that the desired economic expansion, stability, higher standard of living and full employment, in short, all that happens in the economic field in the EEC is to be the result of free competition and not of *dirigist* measures."

All this means that once in the Common Market Britain would not be able to introduce any national economic plan, would not be able to control capital movements or to introduce export and import controls, to take measures to control the cost of living or increase taxes against the rich, pursue a policy of regional economic development with subsidies or other state means; in short, to control the main lines of the country's economic policy.

Incomes policy

The general policy of free competition also means commitment to wage freezing and all the other anti-social policies of the central banks. As Wilson himself remarked in the speech to Parliament already quoted, "I still take the view too that . . . there are still many employers who are looking to the Common Market primarily as a means of strengthening their hands in a showdown with labour. When one looks at the whole sorry, miserable history of the pay pause over the last year, I wonder whether there is not some reason for thinking that there are some Ministers at least who regard Europe as a means of enforcing the general wage freeze which the Government have been trying to get ever since the Prime Minister was Chancellor of the Exchequer."

This was a major reason for the Confederation of British Industry supporting British entry. In its report on the Common Market, *Britain in Europe*, it declared that increased competition resulting from entry should have "a salutary effect in accelerating structural change in British industry, in bringing about a more efficient use of resources,

and in particular a more rational market for labour, and in holding down costs and prices generally." (p. 23.)

While in theory there is nothing in the Treaty of Rome which forbids nationalisation, in practice the whole idea is to encourage mergers and the creation of super trusts. In a letter to *The Times* (Sept. 17, 1969), Professor Wedderburn quotes a recent case from Italy: "A Milan court, in Costa v. E.N.E.L., (1968), Common Market Law Reports 267, took the view that legislation proposing to nationalise the electricity industry in Italy offended against Article 37 of the treaty, which prohibits discrimination between nationals of member states. The nationalisation legislation was a nullity whatever the Italian Parliament said."

In an EEC booklet—*Harmonising Taxes—a step to European Integration* Commission member Hans von der Groeben writes that freedom of capital movement, a key EEC aim, can "be created only if steps are also taken to remove the impediments which company and tax laws place on mergers and the acquisition of holdings across the internal frontiers of the Common Market."

Maurice Corina, in an article in *The Times Business Supplement* (February 13, 1969) reports that the EEC Commission "has already submitted proposals to the EEC Council of Ministers to facilitate trans frontier mergers by changing existing company laws. The Commission in its proposals writes that the intentions of the common tax rules suggested are 'as an encouragement to forming larger groups better able to face competition inside and outside the Common Market'."

None of the Six countries, says the CBI report already quoted, operates legislation restricting mergers. The opportunity for "large scale operations" is another major reason given by the CBI for entry, and explains why nearly all the big British monopolies, headed by the ICI are fervent pro-Marketeers.

The big trusts are fundamentally imperialist. Most of them have intensive investments in colonial and previous colonial countries. Whether by means of direct colonial rule or neo-colonialism, they use these countries as a source of cheap raw materials, markets and super exploitation.

Second class citizens

One of the purposes of the European Common Market is to maintain the developing countries, and particularly those of Africa, as agrarian hinterlands, providing minerals and agricultural raw materials for European industry and consumption. The major French and West German trusts which dominate the Common Market—such as Krupps, Mannesemann, Rothschilds, Pechiney—are the same giant monopolies which exploit Africa.

African states have no power within the Common Market, but are only allowed "second class citizen" status as associated members, who have to accept the dictates of the Common Market Commission on which they are not represented.

The Development Fund, ostensibly created to assist the African Associated States, is controlled by the European powers. This ensures that the funds provided tend to go on agriculture and such things as roads, communications, etc. rather than basic industrialisation, and that the interests of the European monopolies in Africa take precedence over the development of the African states.

In addition, the African and Asian states suffer from the constant fall and fluctuations of the prices of the raw materials they export to the Common Market, while they have to pay ever rising prices for the manufactures and machinery they import from Europe.

Von der Groeben also makes it clear that the Commission frowns on a policy of subsidies for regional development of backward areas. "Member states", he writes, "must not entice firms away from other member states, nor must they try to outbid each other in the attempt to attract firms from non-member countries." In other words even the inadequate fiscal measures to attract industry to Scotland, the North East, South Wales and Northern Ireland taken by the Labour Government would not be allowed.

Indeed the EEC itself has already pointed out in its Medium Term Plan 1966/70, p. 3, that the poorer regions in the individual EEC countries have got poorer still. "Disparities between certain regions of the Community have continued to get worse, some getting the full benefit of economic growth, while some of the least developed, or those hardest hit by technological change, remain to a great extent unaffected by that growth."

Institutions of the Common Market

The supranational apparatus and directing bodies of the Common Market are in effect a gigantic bureaucracy over and above the national governments with the elected Parliaments exercising no control whatsoever.

The main bodies are the Council, the Commission, the European Court, and the socalled European Parliament.

The *Council* consists of a Minister of each of the Six Countries, usually the Foreign Minister, although it could be another Minister subject to the question to be considered, e.g. if transport, the various Ministers of Transport.

Of key importance is the *Commission*. It consists at present of 14 members, soon to be reduced to nine. They are appointed by the Six Governments, and act in full independence of the Council of Ministers

and the Governments. In theory they can be removed. If the socalled European Parliament passes a vote of censure on it the Commission then resigns as a body. But in practice this is not remotely possible.

Powers of the Commission include the issuing of *decisions* which are binding in every respect; *recommendations* which are binding as to ends but not to means; and *opinions*, which are not binding.

Acting at the request of the Commission, the Council gives its views on or endorsement of the Commission's conclusions, and without this endorsement the Commission cannot act on certain matters.

In implementation of the Rome Treaty the Council and the Commission acting together issue *regulations* which are of general application and have the direct force of law in every member state; *directives* which are binding in the state to which they are addressed, but leave the way they are to be implemented to the state concerned; and *decisions* which can be addressed to a Government or an enterprise or a private individual, and which are completely binding. They can also issue recommendations and opinions.

Bureaucracy

The powers of the bureaucratic Commission, therefore, are considerable, as the guardian and policeman of the Treaties, as the executive of the EEC, as the initiator of Community policy and exponent of Community interest to the Council.

Treaty provisions and decisions of the Community institutions are observed if necessary by taking the Government or the offending party to the European Court, that is the Common Market Court.

As the Executive body of the EEC the Commission wields wide powers and is also responsible for the administration of Community funds. It controls the levies and loans of the Coal and Steel Community ($720m. between 1952 and 1967); the Euratom research and training programme (outlay $430m. between 1963 and 1967); the European Social Fund ($30m. a year); the European Development Fund for Overseas Territories ($730m. between 1964 and 1969) and the Agricultural Fund of the Community ($2,500m. for 1969).

The relationship between the Commission and the Council is intricate. Any measure of general application, or particularly important measures, have to be enacted by the Council of Ministers. But they can only proceed upon the proposal of the Commission. The Executive Secretary of the Commission, Emile Noel, has written—"The Commission thus has a permanent duty to initiate action. If it submits no proposals, the council is paralysed and the forward march of the Community comes to a halt—in agriculture, in transport, in commercial policy, in the harmonisation of laws, or whatever the field concerned may be." *How the European Community Institutions Work* (EEC publication, No. 32).

Imperialist rivalry

Any combination or union of imperialist power is subject to rivalry, tensions, attempted domination by one or another and conflicting national imperialist interests. The EEC is no exception. This conflict has expressed itself above all in the relative powers of the Commission and the Council of Ministers, the latter operating in general on a modified majority voting system.

This crisis in EEC institutions came to a head in 1965 and was precipitated by France acting to protect French interests against the domination of the others. It led to a seven months boycott of the EEC institutions by France and the paralysis of the market. The main result of this was that some of the powers expected to go to the Commission were given to newly created *National Management Committees* made up of representatives of the six Governments. These now exist to consider various aspects of agriculture, for monetary policy, for central bank policy, for budgetary policy, for common commercial policy, and for medium term economic policy.

These Management Committees give opinions on those matters on which the Commission can act, although they are not binding on the Commission. In a sense they are national watchdogs on the Commission.

The role of the Commission

William Pickles, who is senior lecturer in Political Science at the LSE and who follows EEC affairs perhaps more closely than most people in Britain, and who as a result is anti-Common Market, considers that the new set-up more or less recognised what had already developed in practice. His conclusion is (*How Much Has Changed?* 1967) that the total power of the Commission is greater than in 1963 because of the mass of regulations with the power of law turned out by the Community machinery, which require substantial administrative action for which the uncontrolled Commission is wholly or partly responsible.

He sums up the situation in this way: "The Commission proposes after extensive consultations with the national governments or their representatives; the Council considers; Council and Commission negotiate; the Council decides; the Commission applies the decision, combining its immense discretionary powers with extensive consultations with national representatives. (The Commission takes necessary decisions on its own, and supervises the working of the Treaty involving taking the Government to Court if such action seems necessary or desirable). The crucial element of all this procedure is the negotiation between the Commission and the Council . . ."

And he concludes that this complicated process simply could not function if either the Commission or the Council or both were

continually compelled to refer back to six national parliaments or one supranational parliament if one was set up. (*How Much Has Changed?* pp. 38/9.)

The EEC Court, misnamed the European Court of Justice consists of seven judges appointed for terms of six years by the common consent of the Governments. It considers cases brought by the Commission against the governments for infringements of the Treaties, government appeals against the Commission and appeals from national courts in cases where Community law appears to conflict with the national law of the country. In all cases the decisions of the Community Court of Justice are final and overrule national law.

The misnamed European Parliament consists of 142 members appointed by the six national Parliaments from among their own members. It is largely a talking shop, utterly useless. In theory the Commission is responsible to it. In practice it is not.

It is important to see what this maze really amounts to.

First, the essential bureaucratic and dangerous nature of the EEC institutions. They are in complete opposition to any democratic control. The decisions arrived at are supranational without consideration, debate, endorsement or control by the more or less democratically elected national parliaments of the Six.

As Hallstein puts it, the decisions of the Community institutions are binding on the member states and its citizens. "They have precedence over all national rules and have to be observed by all national authorities, including in particular the courts."

Second, the tremendous powers wielded by the Commission, an appointed bureaucracy which in effect cannot be sacked. Again as Hallstein argues: "The Commission is independent, particularly of instructions, from the member states." This independence he argues is indispensable for the working of the EEC. Only in a few exceptional cases can the Council act without the Commission, and he wants the exceptions abolished.

Third, the whole underlying basis of the economic decisions arrived at, the economic ideology of the Market, is for the socalled free capitalist competition and promotion of the super trusts.

NATO and the Common Market

These conclusions are enough to condemn the Common Market and its institutions for any democrat, and in particular for any socialist. They are the instrument of the super monopolies. To the extent that the supranational decisions are taken they reflect, not the interests of the common people concerned, but the supranational interests of the trusts.

Formally of course the military and foreign policy matters of Western Europe are not within the competence of the EEC institutions. They are still controlled by the national governments. Because

their basis is NATO and the whole cold war policy, more than the Six are concerned, above all the US and Britain are involved.

NATO implies the continued division of Europe. It is aggressive, anti-Soviet and revenge seeking in nature. It implies huge military burdens. Its strategy is based on nuclear war.

It is also anti-working class, a buttress against the democratic and socialist advance of the working class and progressive forces of Europe. NATO was behind the military coup in Greece. Plans for a military coup in Italy have been exposed. No doubt plans for other countries exist.

The imperialist economics of the trusts imply an imperialist military and foreign policy. NATO buttressed by nuclear weapons is to defend the interests of the trusts. Just as the US trusts are the main force driving into West Europe economically, so US imperialism is the main controller of NATO.

At the same time NATO has its tensions and national contradictions. It has resulted in making the West German army the main European military force in NATO. As the European trusts combine to fight the US trusts, so the various proposals emerge, particularly from Strauss and Kiesinger for a "European" nuclear force, a means whereby West Germany could get its hands on nuclear weapons.

All along the British Government has been relying on West German support for Britain's entry into the market. It may be that the price extracted for entry would be West German participation in the control of British nuclear weapons. This has been said by Douglas Jay among others. It would be a potent weapon in the hands of the Bonn militarists for their revenge seeking aims against the German Democratic Republic, Poland, Czechoslovakia and the USSR. It would be a menace to peace.

As we will show, the logical extension of the EEC idea is for a single West European capitalist state in which all aspects of policy, foreign and military as well as economic, are centrally controlled in the interests of the super trusts.

It is no accident therefore that the EEC countries and Britain are the main opponents of the proposal of the Warsaw Treaty Powers for an all-European Security Conference, which could pave the way to the liquidation of military blocs and the development of real all-European co-operation instead of the phoney divisive and reactionary "Europe" of the Common Marketeers.

West Europe of the Trusts

The Common Market of the Six which the pro-marketeers want us to join is completely dominated by the big imperialist banks and monopolies of West Europe. Their main political spokesmen are the

most militarist and reactionary forces of Europe: Kiesinger and Strauss and the Christian Democrats in Germany, the clerical reactionary and bankrupt Christian Democrats of Italy, Pompidou and the Gaullists in France, buttressed by the right wing of European social democracy.

In West Germany the big three commercial banks, the Deutsche, the Dresdner, and the Kommerz control a huge range of companies. The Deutsche Bank is dominated by Dr. Herman Abs, who was one of Hitler's closest associates.

In Belgium whole sectors of industry are controlled by the banks. The biggest groups are the Banque de Bruxelles, Lambert, Solvay Coppée and Empian which divide Belgium between them. The Société Générale de Belgique controls 20% of Belgian industry. The biggest holdings are in the notorious Union Minière, one of the outstanding examples of outright colonial ownership and exploitation.

Presiding over the whole scene, reaching even beyond the frontiers of the Common Market, are the Central Bankers, meeting once a month in Basle. These not so shadowy figures have largely dictated Labour Government economic policy, as well as that of the Six. They include Karl Blessing of the Bundesbank, Guido Carlo of the Bank of Italy, Schweitzer of the IMF and O'Brien of the Bank of England, notorious for his attacks on anything remotely progressive. Guido Carlo has said that "The first quality of a central banker is to be cold blooded." They have all lived up to this maxim with their ceaseless directions for deflation, wage restraint and reduced social services.

Giant mergers

In the Common Market countries we see the same feverish process of mergers as in Britain, with the emergence there, as here, of the huge super trusts dominating the economy and more and more operating on a world scale.

In France there were 250 mergers in the 18 months ending mid-1968. In West Germany large firms like Siemens and AEG Telefunken are combining their power and engineering interests. Montecatini-Edison have merged with ENI in Italy.

Mergers across the frontiers of the Six have proved more difficult for a variety of reasons. West German and Belgian photographic interests merged in Agfa-Gevaert. The Italian Fiat has been negotiating with the French Citroen. The Compagnie Francaise des Pétroles is buying into West German Gelsenburg Oil Company. The Vereinigte Flugtechnische Werke of West Germany (one of its two biggest aircraft concerns) has now merged with Fokker of Holland. The Market authorities, as we have pointed out, are now working overtime to encourage transnational mergers in the Six.

Of the 200 biggest corporations outside the US, France has 23

and West Germany 26. Of the 20 biggest corporations in West Europe seven are West German, one French, one Italian and two Dutch. These Common Market trusts have an all-European or world scope. Holland is part owner with Britain of Royal Dutch Shell and Unilevers. Philips and AKU have international ramifications that dwarf Holland's own economy. Siemens of West Germany operates all over Europe. Farbwerke Hoerst of West Germany has factories in 35 countries.

Despite the illusions created by pro-Common Market propaganda the majority of the trade of the major Common Market countries is *outside* the Common Market. Naturally intramarket trade has greatly increased. But still only 40% of West German trade is with its EEC partners; the figure for Italy is 40%, and for France 45%. Only Holland with 55% and Belgium with 60% do a majority of their trade within the Community. (*Financial Times*, Aug. 11, 1969). Their EEC "home" market is the base for their world wide economic operations.

It is the same with export of capital. At the beginning of 1967 West German foreign investment totalled 10 milliards of marks, only 29% of which was in EEC countries.

While the politicians have been talking about entering Europe, the British monopolies have already entered Europe in a big way since the Common Market was formed. The creation of the Customs Union of the Six has been got round to a considerable extent by the opening of British subsidiaries in the EEC countries and the acquiring of subsidiaries. With the process of mergers and take-overs monopoly concentration in Britain has proceeded faster and to a greater extent than in the Common Market countries.

There are now 3 super trusts in Britain with a capital of over £1,000m., compared with 3 in the whole of the rest of capitalist Europe; and 11 with a capital of between £250m. and £500m., compared with 16 in the whole of the rest of capitalist Europe (*The Times* 500—*Leading Companies in Britain and Overseas*).

We have already noted the position of France and West Germany regarding the 200 biggest corporations outside the US. Britain with 65 such corporations exceeds the combined total of West Germany and France.

British investments in Europe

Of the 20 biggest enterprises in West Europe eight are British or mixed Netherlands-British. They are Royal Dutch Shell, Unilever, British Steel Corporation, BP, ICI, National Coal Board, British-Leyland and GEC/AEI. Excluding the two nationalised industries, all of them have branches and subsidiaries in the EEC countries; many of them have world wide ramifications.

Royal Dutch Shell, with a budget bigger than that of Switzerland, operates in nearly every country in the world. Unilever has 500 separate companies in 60 countries.

Of the 50 biggest British companies for example, 26 have subsidiaries in Italy, France, West Germany or all three. These exclude Esso, Ford, Woolworths and Vauxhall (US owned) who are included in the top fifty.

In addition to those already mentioned we find Shell Transport, British American Tobacco, Imperial Tobacco, Courtaulds, Rio Tinto Zinc, English Electric, GKN, Bowaters, Hawker Siddeley, Dunlops, Burmah Oil, P and O, Reed Paper, Tube Investments, British Insulated Callender Cables, Coates-Paton, Ranks, British Oxygen, Vickers, Ocean Steamship, Plessey, British Cocoa and Chocolate.

In 1968 the number of British firms with subsidiaries in the Common Market countries or shares in firms there was 121, compared with West Germany's 76, France's 45 and Italy's 20.

We do not want to overestimate the position, but by the end of 1965 British investments, other than oil and insurance, in Common Market countries was £353m. (large companies only) out of a total of £1,727m. in the non-sterling area (Board of Trade figures). These figures must have grown greatly, because British investment in France, for example, has doubled since 1965.

British penetration into the Common Market countries is only exceeded by that of the US, whose affiliates or subsidiaries in the Common Market countries amount to 216 compared with Britain's 121.

Since 1958 the US has invested 10,000m. dollars in West Europe, more than a third of their total invested abroad. Servan-Schrieber in his book *The American Challenge*, p. 22, writes: "The Common Market has become a new Far West for American businessmen. Their investments do not so much involve a transfer of capital, as an actual *seizure of power* within the European economy." While still currently less than 10% of the total value of the European corporations US investment is growing swiftly and is of enormous strategic value. As early as 1963 US firms in France controlled 40% of the petrol, 65% of the photo-film, 65% of the farm machinery, 65% of the telecommunications and 45% of the synthetic fibres. On a European scale they controlled 15% of the consumer goods, 50% of the semi conductors, 80% of the computers and 95% of the new market of integrated circuits.

Nine tenths of American investment in Europe is financed from European sources and Servan-Schrieber remarks: "In other words *we pay them to buy us.*"

Ten per cent of British manufacturing industry is US owned. If recent trends continue by 1980 20-25% will be in US hands. (Dinning, "*The Role of American Investment in the British Economy*," P.E.P. 1969, p. 124).

It is no wonder that these British monopolies are the main force pressing for British entry into the Common Market.

Transnational super trusts

The reason for the pressure of the trusts for entry is not hard to find. The Common Market structure of supranationalism is tailor made to suit the supranational activities of the monopolies. It could pave the way to transnational monopolies on a Western European scale, the logical extension to a West European stage of the merger movement in Britain, West Germany, France and Italy, the "European" finance capital answer to the American financial challenge—for the British trusts the next stage in the world conquest of British big business. That this is the aim has been made clear by Charles Villiers, managing director of the Government sponsored Industrial Reorganisation Corporation. Referring to the E.E.C. Commission, he said: "I believe it has a function in encouraging and promoting the integration and concentration on a transnational basis of European industry. For such a purpose, the Commission would need a new institution which could be created after drawing upon the experience of similar bodies to the I.R.C." (*Times Business News*, Sept. 19, 1969)

Already the British super trusts operating across the frontiers find their "national" Governments, markets and financial and economic restrictions inadequate for their needs. They are finding ways and means of bypassing them.

Charles Levinson, Secretary General of the International Federation of Chemical and General Workers' Unions has exposed their working in Britain (see the *Guardian*, May 24, 1969). The monopolies price as low as possible parts, materials, etc. transferred from a plant in a country where taxes are high to branch plants in another country. The aim is to make the least possible profit with the object of minimising taxation. In return the monopoly will fix prices as high as possible in countries with low income taxes or profits taxes. Ultimately this process can end up in the collection or accumulation of profit in tax havens where profits can usually be hidden tax free. It is estimated that almost 25% of British exports are now accounted for by intra-company transactions and subject to transfer pricing. Levinson concludes, "Such activities by some of the major British companies like ICI, Dunlop, Bowater, etc. have contributed much more to the recurring weakness of sterling than any number of strikes or consumer buying."

The Common Market and its institutions are the monopolists' dream and the monopolists' creation.

Britain and the Common Market

Opposition to British entry into the Common Market is formidable and widespread among the British people, and especially in the labour and trade union movement. If all the forces against were united into a single mass political campaign British entry could be prevented. It is important therefore to be clear regarding the major reasons for opposing entry.

The real arguments for British entry have long since been exploded. We were told that in joining we would link up in a fast growing economic community, and that by some magic and undisclosed way British growth rates would start approaching those of the major EEC countries.

These superior growth rates however were not due to these countries combining in the Common Market. They started in each country in 1953, four years before the Treaty of Rome and six years before the first stage of the Common Market.

Total growth rate for the Six as a whole was 9% a year during the years between 1948 and 1958. It fell to 7.2% a year between 1958 and 1965 and was only 2% a year between 1965 and 1967. (Quoted figures: Kahn, *Économie et Politique*, June 1969).

Market membership in addition has not stopped economic fluctuations in the Common Market countries. Before the first stage of the development of the EEC was reached, France had a period of economic stress worse than our own with devaluation and deflation. She underwent a similar period of restriction in 1964/65. Italy went through the same experience in 1963. In 1966 both West Germany and Holland experienced economic difficulties similar to those of Britain which were met by similar deflationary policies, and in Germany the unemployment level was the same as ours. Now France has devalued again (without consulting her Common Market partners, a violation of her Treaty obligations) and introduced a new round of deflation.

The reasons for the particular severity of Britain's economic plight are well known: economic policy sacrificed to the balance of payments problem, the root of which is capital expenditure abroad and military expenditure overseas. Hence the dreary rounds of huge taxation, wage freeze, economic restriction and low growth rate. Entry into the Market will not solve these problems.

Indeed Harold Wilson made precisely this point in his Parliamentary speech already quoted when he was against entry. "The whole House knows . . . that in Europe or out of it this country can achieve economic strength and virility only by our own efforts, by our skill, ingenuity and our capacity for organisation and also by our sense of purpose and the ability to manage our national economic affairs with a good deal more intelligence and vision than have been manifest in the last few years." It's a pity he doesn't re-read his own

speeches because the reason we are in a worse plight today than in 1962 is because he has carried out exactly the same economic policies as his Tory predecessors.

It is then argued that in the EEC we would have free access to a market of 200 million. But in order to do so we would have to break up EFTA, a market of 110 million. The whole system of Commonwealth preference would have to be dismantled, creating new obstacles to British trade in a market of 700 million (true the majority of which is much poorer than that of Europe).

It was even argued that non-membership meant our exclusion from the 200 million of the Common Market. On the contrary, British trade with the EEC countries has grown significantly. British exports to West Germany have gone up from £124m. in 1958 to £323m. in 1968; to Italy from £66m. to £160m. and in the same period increased to £253m. to France. West Germany became our second largest export market in 1968, ahead of Australia. France was our third best customer for capital goods.

While these arguments for entry are demonstrably phoney, there is no doubt that entry will seriously affect Britain's already chronic balance of payments problem.

The Financial Times wrote on 4.8.69: "New studies now under way in Whitehall suggest that the balance of payments cost to the UK of joining the EEC will be a great deal higher than the £500m. per annum estimate given by Mr. Harold Wilson, the Prime Minister, to the House of Commons in 1967. The range now appears in the £500m. to £1,000m. bracket; and there are in Whitehall economists of repute whose own estimate would be nearer the top end of the range."

Even if we struck an estimate of £750m. the effect would simply be disastrous.

One of the main reasons for this is the Common Market agricultural policy. Under this we would have to pay EEC prices for home produced food (very much higher than ours), impose levies on imports from the Commonwealth and be expected to buy food produced by inefficient French and German farmers. By this item alone the cost of living for the average family in Britain would go up by 30/- a week.

Other factors adversely affecting our balance of payments would be—the decontrol of capital movements and possible loss of exports due to increased costs.

As Douglas Jay said in a speech at Oxford (*Morning Star*, 16.6.69): "Every informed person now knows that joining the European Economic Community in its present form, and with its present policies, would make much more insoluble precisely those difficulties from which Britain is now suffering."

The situation would be worse all round and the Government knows this. But it is hell bent on joining, because it puts the interests of the

big monopolies in the growth sectors of the economy before the interests of Britain. They and they alone would benefit. They are the driving force for entry.

Labour mobility

Market policy regarding the movement of labour, wages and taxation would have big implications for Britain.

Free movement of labour between Common Market countries is aimed for by the end of 1970. The general idea here is that if a vacancy in a member country is not filled within three weeks, it will be open to a worker from another member country. This worker would be able to renew his labour permit within one year, take any job for which he is qualified after three years, and after four years, any kind of paid job as if he were a national of the country concerned.

Such labour would tend to be the unskilled and would be difficult to train and absorb. The implications of all this are so big that provision exists for the revoking of these measures if a recession should occur.

Such free entry of continental labour would exist alongside the present restrictions on the entry of coloured immigrants.

In a pamphlet issued by the Economist Intelligence Unit in 1962, Val Schur commented, "such an influx could clearly create problems in the United Kingdom. There could also be serious political repercussions if as a result of the Immigration Act, Commonwealth immigration is restricted while the movement of labour from Europe is freed." (*Labour in Britain and the Six*, p. 14).

Equalisation of hours, pay and holidays is supposed to proceed in an upward direction, although levels are not fixed. This is generally assumed to mean that there would be an upward movement for the lower paid countries and industries, while the higher paid would be held back waiting for others to catch up. Any trade unionist will know how this will be used to lower wages and conditions rather than raise them. This has been the experience of all the spurious wage restraint arguments about the higher paid sacrificing to assist the lower paid.

Taxation

The general EEC policy relating to tax harmonisation and social security financing would almost certainly have a serious adverse effect for the British working class.

The financing of social security in the Six means big payments by the workers and employers. State payments are relatively small. In most of the Six (with the exception of France and Italy) workers' contributions are much higher than in Britain, and in all of them

employers' contributions, in view of the rather small state contribution, are very much higher. The importance of the state contribution in Britain is that it comes out of general taxation. In other words, the rich make a contribution.

So the British worker would pay more individually. The state contribution would be reduced. The employers' contributions would increase, but of course, these are in effect employers' costs which are passed on in price increases. All round, therefore, the British worker would be worse off if the EEC method of financing social security was enforced.

One major EEC tax proposal is to introduce a uniform value added tax on all goods produced. This would replace the selective purchase tax which now operates here. If proceeded with in Britain it would shift taxation still more from direct to indirect taxation. In other words, it would make our already retrogressive taxation system even more retrogressive, bearing even more heavily on the poor than the rich.

But an even greater cost to Britain than those stated so far would be the loss of control over Britain's economic future.

What are these vital spheres of our life in which the Common Market would reign supreme over the British Parliament and British law?

They are:

Export and import policy, tariffs and regulation of trade and balance of payments policy;

Farming policy;

Policy regarding control and direction of the monopolies;

Policy regarding Steel, Coal and Atomic energy;

Banking policy (ultimately);

Transport policy (ultimately).

With these vital powers in the hands of the Common Market British control and direction of the economic life and functioning of Britain would virtually cease to exist. In other words the type of economic counter programme now demanded by the left would be impossible once we were in the Common Market.

At present we have the power to compel Parliament to change Government policy. What we need is the mass effort to win change. Once in the Market Britain's Parliament would lose its exclusive control over these vital spheres of economic policy. They would be vested in the EEC Commission and Council.

The arguments of the monopolists for going in are clear. As we have said the bureaucratic supranational anti-democratic set-up of the EEC and its economic philosophy are tailor made to their needs. Already the problems arising from mergers are alarming the labour movement. The extreme difficulties of the fight against redundancies, the closing down of factories and mass unemployment caused by the

GEC/AEI merger and that of BMC/Leylands and others are well known. If the struggle against these super-giants is difficult now, what is it going to be like when the ICI links up in a transcontinental merger with a West German and/or French and Italian counterpart, and the GEC, British Leylands and the others do likewise? This, as we have shown, is one of the main purposes of EEC economic doctrine. These trusts would not only play off the workers of one region of the country against another as of now, but the workers of one country against the workers of another.

Even now the merger movement is reaching the transcontinental stage and raising these problems.

A free hand for super trusts

In an article in *The Times Business Supplement* of August 20, 1969 entitled "When Companies Span the Frontiers", Michael Shanks writes of "the divergence between the global planning of transnational corporations and the national planning of the various host governments." He points out that these giants want rationalisation and mass production on an international basis "to exploit national differences in factor (especially labour) costs", and so on. He wants some kind of deal, as he puts it, between governments and transnational monopolies. At present the Labour Government could act on this problem if it wished and take action against these giants. But of course once we were in the Common Market these transnational trusts would be given more or less a free hand. The Government would be forbidden to take state economic action to stop this whole process. As we have pointed out above, they would be forced by Commission regulations to facilitate the growth of the super-monopoly.

At present, given mass movements and struggle, we can utilise our system of political democracy, which the monopolies are trying to undermine, for action on the lines the movement is fighting for. Once in the Common Market the sovereignty of the British Parliament would be fatally undermined. The pro-marketeers, John Pinder and Roy Price in their Penguin *Europe After de Gaulle*, admit "It is certainly the case, nevertheless, that membership even of the European Community as it exists today would mean a more formal pooling of sovereignty, and over a wider area of policy making (than British membership of the UN and other bodies—J.G.). It would mean that a British Government would be required—eventually, if not immediately—to accept majority decisions taken in the Council of Ministers. The British Parliament for its part would have no opportunity to amend or reject these decisions. British Courts, too, would be obliged to implement rules agreed to by the Community institutions."

This, of course, would please the monopolists. It should be rejected by the British people.

Parliament no longer supreme

Just what this loss of sovereignty would imply was spelled out by Lord Dilhorne, then Tory Lord Chancellor, in a speech in the Lords in the Common Market debate of August 2nd/3rd, 1962.

The Common Market organs of Government "in the spheres in which they operate", he admitted, have supernational powers which override those of each country's parliament and law courts. Any regulations of the EEC must be given immediate effect in British law. Parliament would not even have the right to debate them. And the Chancellor warned "should they conflict with existing (British) statute or case law, they would override it. . . ."

In the case of directives, he said, Parliament would have to pass immediate legislation to make the directive operative.

Lord Dilhorne concluded "So, my Lords, to the extent I have mentioned, in the case of both regulations and directives, the legislative functions of Parliament would have to give way to that of the (Common Market) Council and Commission." Our courts, he said, "would be called upon to enforce the decisions of the European institutions and the judgments of the European Courts. . . ."

The cornerstone of Britain's political constitution is the sovereignty of Parliament. Sir Ivor Jennings has said, "the supremacy of Parliament *is* the constitution." The Treaty of Rome can only be applied to Britain by Act of Parliament.

Lord Dilhorne tied himself up in knots in his vain effort to reconcile the sovereignty of Parliament and the Treaty of Rome. He said, "But while Parliament's power to repeal the Act applying the Treaty remains, and cannot be fettered, I am not implying that it would be right for us to repeal it."

When a lawyer uses "right" he means "legal right". This is clear when he continued: "The Rome Treaty is not limited in duration, and there is no provision for its termination. Parliament could repeal the Act applying these Treaties; it cannot be prevented from doing so."

"But", he went on, "it must be recognised that in international law, such a step could be justified *only in exceptional circumstances*; and if it were taken without such justification, *and without the approval of other member states*, it would be a breach of the international obligations assumed on entry into the Common Market." (Our italics.)

The pro-marketeers and the profit patriots therefore are prepared to sacrifice British sovereignty to enter the Market. Whether in fact they could is another matter. For them profit comes before country. This is something, which when fully grasped, the British people, we are sure, will never tolerate.

It can be argued that British entry would give the British Government membership of the EEC Council and the Commission, and that they would therefore influence their decisions. This argument misses the point. Not only would the British Government merely be

one amongst many, but it would be bound by the rules, philosophy and outlook of the Treaty of Rome and all the body of decisions already taken by the EEC institutions which have the power of law.

Future Developments in the Market

The transitional period in the Market comes to an end in January 1970. By then the decisions are to be taken which will take the Market on the next stage beyond the confines of a customs union and toward economic union.

Considerable difficulties have occurred in development of Market basic policy and institutions due to the complex problems involved, and the national antagonisms and conflicts of interests.

This was seen on the Common Agricultural Policy, which was only evolved with the greatest difficulty and to meet French interests more than others. The problem here was the large peasant agriculture often inefficient. The aim of the complex system of levies and subsidies, which has resulted in a dear food policy, was to put the small peasant out of business and develop large scale agriculture. It has resulted in making the poor poorer and the rich richer. Six million peasants were driven off the land between 1950 and 1963, and at present the policy eliminates half a million from the land each year. All this has encountered great peasant opposition.

The CAP has not only resulted in dear food, but huge agricultural surpluses. The system of agricultural support payments will reach £833m. this year. It has been calculated that if Britain entered she would have to pay half of the support payments.

With the latest French devaluation which would have resulted in an 11% price increase to the French farmers, the CAP has been thrown into confusion. The market price now paid to French producers has been reduced to offset the devaluation gain, with the French ordered to levy border taxes on French products and subsidies on imported farm products of her Market partners. The result has been to isolate French agriculture from the other Five for a year. And the *Daily Telegraph* (August 13, 1969) commented: "The Common Market has in effect suspended (for a year—J.G.) its most prized achievement, the common farm policy of the Six, as a result of French devaluation."

Difficulties have been encountered too in relation to the coal and steel community. The problem here was the contracting nature of these industries. The proposals for closures and rationalisation ran into acute national opposition. The EEC Chairman of the Committee on Energy Policy, M. Lapil, has written, "So far from being a basis of European unity, energy has become a pocket of resistance to integration."

Development of the main body of economic policy has proved complex. The moves to concert taxation proposals in order to promote mergers we have already commented on. "Free" movement of capital is so obviously in the interests of the trusts, that it will be pushed ahead. Work on the uniform value added tax is proceeding. Final agreement on a common transport policy has been postponed to 1972. Harmonisation of social policies has been achieved in relation to workers moving from one country to another.

A common commercial policy, which if carried out would mean no more trade agreements by individual Market countries with non-EEC countries, will almost certainly promote trouble. Agreement on monetary policy has received a heavy blow with French unilateral devaluation without prior consultation with her Market partners.

It is clear that these matters will all be pressed ahead, despite acute national difficulties, if the Market is not to collapse. But why should Britain be involved in all this?

The aim, a federal state

All this poses still more sharply the development of the EEC into a single federal state with a common foreign and military policy and budget, as well as a common economic policy to override national differences.

Indeed, even now, if the main economic policy making decisions of a state are delegated to the EEC, it becomes increasingly difficult for that state to pursue a fully independent foreign and military policy.

The federal state has always been the aim of the founders of the EEC, although so far resisted by de Gaulle's France.

It has been argued that a federal parliament of a single West European state is necessary to better "control" the Commission and the Council, and to get "democratic" control of the funds for which the Commission is responsible.

In a federal parliament, whether appointed from existing parliaments or directly elected, the British population would be represented on the basis of one sixth of the population of the 300 millions involved. If represented on the basis of representation of the existing "European" Parliament, Britain would have 36 seats, with Scotland allocated 2 or 3, and Wales 1.

We would be virtually sunk without trace.

What powers would this federal parliament in fact have? Precious few. It has already been pointed out that the Commission-Council decision making machinery of the EEC is essential for the working of the Market. This machinery could never work if its decisions had to be referred back to a federal parliament. The essence of any modern federation is the concentration of power at the centre. Already the

national parliaments have lost their competence regarding policy making vested in the EEC. If these powers were extended to include the budget, military and foreign affairs, the federal parliament would lack any real power at all.

Instrument of cold-war

Whatever the pious arguments of "democratic" control, it is clear that the monopolists want a super state.

As we say this has always been the argument of the founders of the EEC. In his speech on the problem of British entry in July 1969, Hallstein argued that the ultimate purpose of future Common Market development "is the creation of a European Federal State."

The social-political aims of the great European trusts dominating the Market are to transform it into a political-military federation, as the latest instrument of the cold war, permanently dividing Europe.

This dream of "European unity" expressed in the slogan of the "United States of Europe" in the First World War, and later of Hitler's "New Order", is succeeded by the federal West Europe of the Common Marketeers. But uneven development is a law of capitalism, and whatever the form of the alliance, it will be dominated by the strongest power within it. Today that power is Western Germany.

The contradictions between the imperialist powers inside and outside the Common Market have been demonstrated at every stage of its development.

In the beginning Britain contracted out, counterposing to the Common Market politics of France and West Germany the socalled Anglo-American special relationship, and building up EFTA. France and West Germany opposed British entry.

Now things have changed as the Common Market has consolidated. The British trusts want to go in. America encourages British entry, amongst other things with the idea that Britain would be America's Trojan horse within the Market.

As West Germany has gained in military and economic strength she supports British entry. Kiesinger and Strauss feel confident that they will be able to control Britain within the Market.

It is no accident therefore, that the main advocates of the federal idea are Kiesinger and Strauss, who even see a West Europe Federation, with a "European" nuclear weapon under their control, facing up as a rival to the United States. In his *Grand Design*, Strauss visualises a European federation with "the reduction of national states to the standing of the present provinces of the German federation", the purpose being to "provide a framework in the Atlantic and European context for a German policy".

It is not only the West Germans who are talking about federalism.

So are Heath and the Tories as the spokesmen of the British trusts. George Brown too, speaking at the Council of the West European Union at The Hague (*The Times*, 5.7.1967), said: "We believe that Europe can emerge as a Community expressing its own point of view and exercising influence in world affairs, not only in the commercial and economic, but also in the political and defence fields." In their Penguin, "*Europe After de Gaulle*", John Pinder and Roy Price "envisage" the new federal Europe complete with a single budget, army and foreign policy, remarking "a federal Europe would probably be capable of becoming in time a nuclear super power" (p. 130).

But what kind of Europe would it be? Not Europe at all; at most, 10 or 12 out of the 30 European states. Their common characteristic would be the cold war, hostility to socialism perpetuating division and the danger of war. Their Europe would be dominated by West Germany.

The aim is to create a mammoth aggressive capitalist power grouping, menacing the socialist states, exploiting hundreds of millions of European workers, Africans and Asians.

To sum up:

British entry to the Common Market would increase the cost of food by 30s. a week for an average family.

It would add as much as £1,000m. a year to our balance of payments deficit.

It would hit British agriculture and trade with the Commonwealth.

It would increase social security payments and make our taxation system more retrogressive.

It would deprive Britain's Parliament of sovereign powers over a whole range of vital economic questions.

It would open the way to still greater mergers on a transcontinental scale.

It would place British economic life under an undemocratic and uncontrolled super bureaucracy acting in the interests of the trusts.

It would further intensify the division of Europe, placing Britain with the most militarist anti-socialist forces, and in particular West German militarism.

It would increase the danger of war.

It would make the struggle for socialism harder as it makes the trusts stronger.

This is the ugly reality behind all the "European" talk and verbiage. The British people should have none of it.

A real policy for Europe and Britain

The most sinister aspect of the new campaign for British entry to the Common Market is that it comes at a time when a new effort to overcome the division of Europe is overdue.

The vast majority of the British people want an end to the cold war. No one now really believes the myth which so long sustained the cold war, that the Soviet Union was poised ready to conquer Europe. But they are alarmed at the renewed growth of West German militarism and the rise of neo-Nazism. They seek an end to NATO and the division of Europe into two rival military blocs, just as they are struggling for an end to American aggression in Vietnam.

They see no point in the continued stationing of British troops in West Germany, and the crippling military expenditure overseas which is such a damaging factor in Britain's adverse balance of payments.

The TUC has demanded the ending of the military blocs, the withdrawal of British troops, and East-West understanding, and large votes were cast at the Labour Party Conference for these proposals.

Not only would British entry into the Common Market be economically disastrous for Britain and undermine its national sovereignty; it would deepen the division of Europe, increase East-West tension and increase the danger of war.

This may be in the interests of the great imperialist monopolies seeking to extend their power on a transcontinental scale, but it is against every vital national interest of the British people.

Warsaw Pact Appeal

In March 1969 the Warsaw Treaty Powers, headed by the Soviet Union, made an important call to all European States, irrespective of their social systems, for peace and security in Europe.

Present day Europe, the call pointed out, "means over 30 states, large and small, differing in their social systems, locations and interests. By the will of history, they have been fated to live side by side, and no one can change this fact."

Pointing out that the peoples want to prevent a new conflict and emphasising the responsibilities of governments, parties, political and public leaders to preserve peace, they exposed those forces "which regard as assets for European development, not the settlement of disputes and peaceful agreements, but additional divisions and missiles, and fresh military programmes worked out for decades ahead."

They called for an all-European Security Conference, inclusive of all states to "make it possible to find ways and means which would lead to the ending of the division of Europe into military groupings, and to the establishment of peaceful co-operation among the European states and peoples."

Here is the way to end both NATO and the Warsaw Treaty Organisation, and replace them by an all-inclusive European security system. It is the exact opposite of the Common Market and a Federal

West Europe. It is what the people want. This, not the Common Market is the first step towards overcoming European division, and to a Europe of all thirty states united for peace and economic and social co-operation.

A number of European states have responded positively, including Finland, Denmark and Norway. But not Britain, West Germany or the Common Market Six. Yet it would be a major step to overcoming the division of Europe, which a closed economic and political grouping such as the Common Market intensifies.

But the call of the Warsaw Treaty Powers involved more than this. It pointed to the next stage, to the strengthening of political, economic and cultural contacts among all states on the basis of equality and respect for the independence and sovereignty of all European States.

"A firm system of European Security" the call pointed out, "will create the objective possibility and necessity for implementing through joint efforts major projects in power, engineering, transport, water and air space which have a direct bearing on the welfare of the population of the entire continent. It is precisely this common factor that can and must become a foundation for European co-operation."

All-European co-operation

Working on such lines, real all-European co-operation would be raised to a level never before seen. This would be of the greatest importance for Britain and British technology.

In place of the closed economic grouping of the Common Market, we could see a further all-round lowering of tariffs and a vast expansion of East-West trade, which would be of enormous importance for Europe as a whole. The further development of the policies of the Common Market and particularly British entry would disrupt this hopeful perspective.

In place of the disruption of Commonwealth trade, which British entry into the Common Market would bring, we counterpose the conscious and systematic expansion of such trade, in particular by long term credits and trade agreements on favourable terms. A big expansion of trade with the socalled underdeveloped nations is possible and is badly needed.

The co-operation of all European states, which we counterpose to the Common Market, with the consequent liquidation of military blocs, would release huge resources from armaments spending and overseas military expenditure. These could be made available for housing, education, social services and pensions. Ending such military expenditure overseas would be a vital contribution to a drastic reduction in Britain's balance of payments problem.

Entry into the Common Market, on the other hand, means the continuation of the military blocs and the crippling arms burden.

Instead of undermining British sovereignty and the power of Parliament and giving up control over the most vital areas of economic policy, which entry to the Common Market entails, we should, by mass political campaigning, ensure that that sovereign power is used to introduce an entirely new alternative economic policy in Britain. Such a policy has been advanced by almost the whole of the left in Britain.

We could end the credit squeeze and the incomes policy, and ensure economic growth by heavier taxation of the rich, introducing a drastic wealth tax and an increased profits tax.

We could take the necessary measures to control trade, reduce the export of capital and realise the overseas assets of the trusts to liquidate our foreign debts and end dictation by foreign bankers.

We cannot allow the ever growing mergers which result in ever greater super trusts, closures and mass redundancies, and the social death of entire towns and areas. These trusts make a farce of democracy and any social and economic planning. Above all, we cannot stand by and see these national giants become even greater transnational giants, with the various national governments as their pawns, playing off the working class of one country against another. Entry into the Common Market would pave the way to this danger. Indeed, it is already happening.

Economic and political power go together. The monopolies are opponents of democracy and the whole democratic process. More and more they and not the Government are taking the main economic decisions that decree the economic and social future of the country.

Today the representatives of the big monopolies, who already occupy key positions on various state boards, are attacking the parliamentary system and calling for a coalition government, or a government of "businessmen".

They see the trade unions and working class organisations as their main enemies and have been the driving force of the attack on the unions and the advocates of anti-strike legislation. They want to put the working class and trade union movement in a legal straitjacket.

Whatever the immediate measures fought for by the trade unions to prevent the consequences of these mergers for the working class, everything points to the need to nationalise these great trusts and make them the property of the people. Only by this means can we ensure the economic and political future of Britain in the interests of the British people.

The further development of monopoly power is incompatible with the further development of democracy. The issue is—who is to control our future? Shall it be the trusts, or are we going to fight forward to a democratic people's Britain advancing on the road to Socialism?

In the meantime, the trade unions of Britain and Western Europe should co-operate for united action and a concerted strategy to defend

and advance working class conditions against these trusts, which now operate across the frontiers of Europe.

This, then, is the real answer to the Common Market, to all the spurious talk of "Into Europe", designed to perpetuate European disunity.

It is a call for the ending of military blocs and closed economic groupings, for real all-European co-operation, for peace, security and economic and social advance.

It is a call for a new progressive economic policy at home.

We appeal to all who realise that Britain's best interests demand that we stay out of the Common Market, to unite regardless of differences, to defeat this new campaign for British entry.

Let us say No to the Common Market, but Yes to Europe—all of Europe—to preserve peace, end military blocs and advance all-European social and economic co-operation irrespective of social systems.

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